

Message Text

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SUBJ: CONGRESSIONAL REQUEST: OLYMPICS GAMES FINANCES

REF: STATE 034869 AND PREVIOUS

1. HOWARD RADFORD, SECRETARY-TREASURER OF THE OLYMPIC ORGANIZING COMMITTEE (COJO), OFFERS FOLLOWING IN RESPONSE REFTEL QUERIES (ALL FIGURES IN CANADIAN DOLLARS):

A. COSTS: (1) OPERATIONS (PLANNING, ORGANIZING AND MANAGEMENT, I.E., COJO ITSELF) 105,900,000; (2) CONSTRUCTION OF NON-PRINCIPAL VENUES UNDER COJO AUSPICES 32,245,000; (3) COJO FINANCING OF VILLAGE CONSTRUCTION 75 MILLION; (4) ESTIMATED CONSTRUCTION COSTS FOR PRINCIPAL VENUES 600 MILLION. RADFORD POINTS OUT THAT LAST FIGURE DOES NOT RELATE TO COJO COSTS (I.E., IT IS OUT OF HIS PURVIEW) AND MAY NOT BE ACCURATE; HOWEVER, IT IS HIS UNDERSTANDING THIS AMOUNT IN BALLPARK AND INCLUDES BOTH COSTS UNDERWRITTEN BY CITY FOR UPGRADING EXISTING FACILITIES AND COSTS NOW UNDERWRITTEN BY PROVINCE FOR MAIN STADIUM, SWIMMING FACILITIES AND VELODROME. COMMENT: WOULD NOTE THAT TOTAL IS ABOUT 200 MILLION LESS THAN PRESS ESTIMATES AND DIFFERENCE IS TO BE FOUND IN ITEM FOUR, PRINCIPALLY PROVINCIAL COSTS. PRECISE FIGURES A POLITICAL FOOTBALL AND NOT PUBLIC.

B. INCOME SET FORTH IN MONTREAL'S 2014 OF DECEMBER 10, 1975 STILL VALID. THE SHORTFALL WILL BE RESPONSIBILITY OF PROVINCIAL GOVERNMENT AS THINGS NOW STAND. COMMENT: PROVINCE STILL ATTEMPTING OBTAIN FINANCIAL ASSISTANCE FROM FEDERAL

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GOVERNMENT. SHORTFALL ESTIMATED BY PRESS AT 600 MILLION OR

60 PERCENT OF COSTS INCLUDING CAPITAL INVESTMENT.

C. PROJECTED ATTENDANCE, THREE AND ONE-HALF MILLION;
TICKET SALES, FOUR AND ONE-HALF MILLION AS MANY PEOPLE BUY MORE
THAN ONE.

D. GATE, AS PREVIOUSLY REPORTED, THIRTEEN POINT FIVE
MILLION DOLLARS NET. RADFORD HAS NO GUESSTIMATES AS TO AMOUNT
ATTENDEES WILL OTHERWISE SPEND BUT MONTREAL TOURIST OFFICIALS
FIGURE A MINIMUM AVERAGE OF 41 DOLLARS A DAY PER TOURIST. MOST
CONSERVATIVE ESTIMATES ARE THERE WILL BE 300,000 ADDITIONAL (I.E.,
OVER NORMAL) VISITORS WHO WILL STAY AVERAGE THREE DAYS EACH
FOR TOTAL OF 900,000 "TOURIST DAYS." AT 41 DOLLARS, THIS AMOUNTS
TO 36,900,000 DOLLARS MORE THAN USUAL FOR THIS PERIOD. MANY
BELIEVE ALL THREE FIGURES, I.E., 41 DOLLARS, 300,000 AND THREE
DAYS, UNREALISTICALLY LOW AND THAT 45 DOLLARS, 350 TO 400 THOUSAND
AND FOUR DAYS MORE LIKELY. (OPTIMUM FIGURES STILL HIGHER OF
COURSE.) MIDDLE-GROUND MINIMUM WOULD COME TO SIXTY-THREE
MILLION ADDITIONAL REVENUE FROM HOTEL AND OTHER RENTALS,
RESTAURANTS, SOUVENIR PURCHASES, ETC.

E. ONE BILLION VIEWERS WORLD-WIDE, WHICH LARGER THAN MUNICH
BECAUSE MORE TV IN USSR TODAY AND, MORE IMPORTANT, RECENT
AVAILABILITY OF TV IN SOUTH AFRICA.

2. RADFORD OFFERED ADDITIONAL COMMENTS ON COSTS: (A) EXTRA
PROVINCIAL AND FEDERAL TAX REVENUES WILL EXCEED SHORTFALL
ACCORDING TO MCGILL ECONOMISTS. THIS ESTIMATE INCLUDES SALES
TAXES (WHICH VERY SUBSTANTIAL) ON ALL THE CONSTRUCTION
MATERIALS, INCREASED INCOME TAXES FROM CONSTRUCTION WORKERS,
AND SALES TAXES ON ATTENDEE EXPENDITURES; (B) CAPITAL INVESTMENT
SHOULD NOT REALLY BE COUNTED AS COST IN VIEW FACT FACILITIES
WILL LAST DECADES. HE ALSO NOTED THAT MAGNITUDE OF MONTREAL
GAMES DETRACTS FROM UTILITY USING THEIR DATA FOR LAKE PLACID
CONSIDERATIONS.

HARPER

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